

Australian Masters Corporate Bond Fund No 1 Limited
ABN 74 130 224 127

APPENDIX 4E – PRELIMINARY FINAL REPORT

FOR THE YEAR ENDED 30 JUNE 2010

(The previous corresponding period is the year ended 30 June 2009)

Results for announcement to the market

	Change from Previous period	Year to 30 June 2010	Year to 30 June 2009
Revenue from ordinary activities	Up 3.37%	5,417,287	5,240,851
Profit from ordinary activities before tax attributable to shareholders	Up 3.95%	5,235,419	5,036,292
Profit from ordinary activities after tax attributable to shareholders	Up 3.96%	3,665,081	3,525,404
Net profit for the period attributable to shareholders	Up 3.96%	3,665,081	3,525,404
Basic earnings per share	Up 4.01%	\$6.75	\$6.49
Diluted earnings per share	Up 4.01%	\$6.75	\$6.49

During the year, the Company made two fully franked distributions to shareholders of \$2.85 and \$3.28 per share on 2 October 2009 and 30 March 2010 respectively, consisting of a total of \$3,329,635 in dividends.

Explanation of Revenue

Revenue from ordinary activities of \$5,417,287 for the year ended 30 June 2010, consists entirely of the company's investment activities and are made up as follows:

Coupon interest	\$3,966,860
Amortised interest	\$1,272,049
Interest received from bank deposits	\$150,378
Other income	\$28,000
Revenue from operating activities	\$5,417,287

Results for announcement to the market (continued)

	30 June 2010 \$/share	30 June 2009 \$/share
Net Tangible Assets per security <i>(After unrealised losses and adjustment for tax)</i>	\$104.91	\$104.29
Basic earnings per share	\$6.75	\$6.49
Diluted earnings per share	\$6.75	\$6.49

This report is based on the Annual Financial Report which has been subject to audit by the Auditors.

All the documents comprise the information required by Listing Rule 4.3A.

Attachments forming part of Appendix 4E

Attachment 1 – Annual financial report, including Directors' Report.

Commentary on results

Significant features of operating performance

Performance Review

The Company is currently invested in 12 different bonds issued by high quality Australian companies totaling \$49 million at face value. Of the total portfolio, \$49 million of corporate bonds are due to mature within the next 12 months of the balance date. At the time of purchase, the bonds had a yield to maturity of between 8.6% and 10.7%.

During the year, the Company made two fully franked distributions to shareholders of \$2.85 and \$3.28 per share on 2 October 2009 and 30 March 2010 respectively, consisting of a total of \$3,329,635 in dividends.

The profit of the Company after providing for income tax amounted to \$3,665,081 (2009: \$3,525,404). The net assets of the Company have increased by \$335,446 from \$56,648,410 in 2009 to \$56,983,856 in 2010.

The weighted average number of ordinary shares for the year was 543,171 (2009: 543,171). The basic and diluted earnings per share after tax was \$6.75 compared to \$6.49 for the previous year.

There are no other factors which have affected the results in the year or which are likely to affect results in the future, including those where the effect could not be quantified.



Hannah Chan
Company Secretary
Date: 17 August 2010